

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: Q. Conflict of Interest and Ethical Conduct – All Employees

April 2002

Q. Conflict of Interest and Ethical Conduct – All Employees

1. General Principles of Ethical Conduct

All employees of the institutions, agencies and school:

- a. shall not hold financial interests that are in conflict with the conscientious performance of their official duties and responsibilities;
- b. shall not engage in any financial transaction in order to further any private interest using nonpublic information of the Board, institution, school or agency;
- c. shall put forth honest effort in the performance of their duties;
- d. shall make no unauthorized commitments or promises of any kind purporting to bind the Board or any Board-governed entity;
- e. shall not use their public offices for private gain;
- f. shall act impartially and not give preferential treatment to any private or public organization or individual;
- g. shall protect and conserve public property and shall not use it for other than authorized activities;
- h. shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflicts with official duties and responsibilities;
- i. shall promptly disclose to their chief executive officer waste, fraud, abuse, or corruption in accordance with applicable law and policy;
- j. shall endeavor to avoid any actions that would create the appearance that they are violating the law or the ethical standards of the Board or the relevant Board-governed entity;
- k. shall disclose potential conflicts of interest to the Chief Executive Officer, or designee, of the institution, agency or school, and avoid conflicts of interest, potential conflicts of interest, and circumstances giving rise to the appearance of a conflict of interest.

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2. Conflict of Interest

A conflict of interest occurs when a person's private interests compete with his or her professional obligations to the Board-governed entity to a degree that an independent observer might reasonably question whether the person's professional actions or decisions are materially affected by personal considerations, including but not limited to personal gain, financial or otherwise.

3. Consideration of Transactions

- a. In the event that a person subject to this policy shall be called upon to consider a transaction involving a Board-governed entity and a person, entity, party, or organization with which the person is affiliated, as defined below, such person, as soon as he or she has knowledge of the transaction, shall: (i) disclose fully to the Chief Executive Officer, or designee, the precise nature of his or her interest or involvement in the transaction and/or such organization, and (ii) refrain from participating in the institution's, agency's or school's consideration of the proposed transaction.
- b. Each person subject to this policy shall disclose to the Chief Executive Officer, or designee, of the entity all relationships and business affiliations that reasonably could give rise to a Conflict of Interest because of the employee's duties and responsibilities. This disclosure obligation is ongoing, and each employee has a duty to supplement or amend his or her disclosure when the employee knows that the disclosure was incorrect in a material respect when made or the disclosure, though correct when made, has become inaccurate in a material respect.
- c. For the purposes of this policy, an employee is "affiliated" with an organization if the person, a member of the person's immediate family (i.e., spouse, parents, children, brothers, and sisters), or a person residing in the employee's household or a legal dependent of the employee: (i) is an officer, director, trustee, partner, employee, or agent of such organization; (ii) is either the actual or beneficial owner of more than one percent (1%) of the voting stock of or a controlling interest in such organization; (iii) has any other direct or indirect dealings with such organization from which the employee is materially benefited. It shall be presumed that an employee is "materially benefited" if he or she receives, either directly or indirectly, money, services, or other property in excess of one thousand dollars (\$1000) in any year in the aggregate.
- d. All disclosures required to be made hereunder must be directed, in writing, to the Chief Executive Officer, or designee, of the institution agency or school.